

REQUEST FOR PURCHASE IN EXCESS OF \$20,000/CHANGE ORDER



To: Mayor and Council

From: Tim Barnes, Facilities Manager

Date: November 19, 2013

Subject: Request for Purchase – Edinborough Park LED Lighting Retrofit

Agenda Item #: IV.C.

The Recommended Bid is

Within Budget

Not Within Budget

Date Bid Opened or Quote Received:

October 29, 2013

Professional or Consultant Services

Bid or Expiration Date:

Open

Company:

LightingHouse USA, Inc.

Amount of Quote or Bid:

\$93,312.00

Recommended Quote or Bid:

LightingHouse USA, Inc.

General Information:

In 2011 the City of Edina began a multilayered effort to increase the financial viability and reduce the operating costs associated with Edinborough Park. A necessary component in that process was to secure the technology and services of a company to retrofit the 1000 watt fixtures throughout the park with a cost effective and appropriate LED technology. We have engaged the services of LightingHouse USA. This company has expertise in LED technology, has prior experience with several other local municipalities, and was instrumental in providing the lighting recommendations for our most recent Golf Dome project. LightingHouse conducted a lighting efficiency analysis of the Edinborough Park facility so as to thoroughly examine the costs and benefits of a LED retrofit.

The report and subsequent revisions based on facility needs for lighting has yielded the following information:

The LED Retrofit project has an initial cost of	\$93,312.00
Xcel Energy rebate	-\$26,280.00
Final Project Cost	\$67,032.00

Annual Lighting Costs – Current:

Energy (based on KWH of 492,750)	\$56,666.00
Lamp and Ballast costs	<u>\$ 5,597.00</u>
Total Cost	\$62,263.00

Annual Lighting Costs – After LED Retrofit:

Annual Energy Cost (based on KWH of 133,043)	\$13,304.00
LED bulbs and drivers have a 15 year life	

Annual Cost Savings generated by retrofit \$48,959.00

The project was originally in the CIP for \$55,000. The extensive research required for this retrofit, as well as the ongoing development and approval of LED technology has taken longer than expected. We are confident in the analysis this report provides, as well as the energy and cost savings that will be realized.

The total retrofit cost of \$93,312.00 will yield a savings of \$97,918.00 in two years. In addition, with the \$26,280.00 rebate from Xcel Energy, the actual payback on the project is 18 months.